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In re Patent No. 4,362,403	:	
Issue Date: December 7, 1982	:	
Application No. 06/289,793	:	ON PETITION
Filed: August 3, 1981	:	
Inventor: Joseph R. Mooney	:	

This is a decision on the petition, filed April 23, 1998, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.¹

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.3787(b) is DENIED.

BACKGROUND

The patent issued December 7, 1982. The first and second maintenance fees were timely paid. Accordingly, the third maintenance fee due could have been paid during the period from December 7, 1993 through June 7, 1994, or with a surcharge during the period from June 8, 1994 through December 7, 1994. The above-identified patent expired as of midnight, December 7, 1994.

A petition under 37 CFR 1.378(b) to accept late payment of the first maintenance fee was filed August 12, 1997, and was dismissed in the decision of February 18, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of February 18, 1998 was filed on April 23, 1998.

¹This decision is also responsive to the request for a \$65 refund filed April 27, 1998.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

"The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable."

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

"A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date, and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly."

OPINION

The Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable"; 35 USC 41(c)(1).

Acceptance of late payment of a maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 41(c)(1) uses the identical language, i.e. "unavoidable delay". Ray v. Lehman, 55 F. 3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action was unavoidable. Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in

relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner continues to assert that reasonable care was taken to ensure timely payment of the third maintenance fee, and further, that the petition was promptly filed after petitioner became aware of the expiration of the patent.

Petitioner has not carried his burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

The showing of record fails to show that due care and diligence was observed with the docketing of the patented file for payment of the third maintenance fee. In particular, petitioner has, notwithstanding the request in the decision of February 28, 1998 (at (3) and (4)) still not established exactly who was the responsible party for payment of the maintenance fee, and the steps emplaced by that party during the one year period the maintenance fee could have been paid to ensure timely payment.

The party whose delay is relevant is the party in interest at the time action is needed to be taken. Kim v. Quigg, 781 F. Supp. 1280, 12 USPQ2d 1604 (E.D. Va 1989). That is, when the issue of reinstatement is addressed, one looks to the rights of the parties at the time of expiration of the patent. Id. As NDE was the party in interest when the third maintenance fee was payable and due, it was incumbent upon NDE to itself engage a third party to monitor and track the third maintenance fee payment, or itself undertake that obligation. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995).

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F.3d at 608-609, 34 USPQ2d at 1787. A reasonably prudent patentee would have exercised due

care and diligence to ensure that adequate steps were taken to timely submit the maintenance fee. Petitioner has clarified the record to the extent that NDE Environmental Corporation (NDE) is now asserted to have been the successor in title, and the true party in interest, during the one year period (December 7, 1993-1994) the maintenance fee was due. Furthermore, the showing by John Mastandrea (Mastandrea) (CEO of NDE at that time) is that at the time that Mastandrea left NDE in June 1993, Mastandrea had a "pendaflex" folder containing the NDE patent portfolio, which was visually inspected every six months by Mastandrea to see which patents had fees due. Manifestly, however, Mastandrea is unable to say what, if any, system, was thereafter in place at NDE during December 7, 1993 through December 7, 1994. Likewise, Mastandrea is unable to state who, if anyone, at NDE, and how often, that system, or any other, was consulted by NDE personnel. It follows that there is no adequate showing as to the steps in place by the responsible party, NDE. In the absence of a showing of the steps taken by the responsible party, 37 CFR 1.378(b) precludes acceptance of the maintenance fee.

As 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Id. However, the showing of record fails to set forth any steps taken by NDE to pay the third maintenance fee. In the absence of a showing of any steps taken by NDE, 37 CFR 1.378(b)(3) precludes the acceptance of the maintenance fee.

Furthermore, the showing of record is that petitioner (Pro Tank, Inc.) only acquired its ownership of this patent, subsequent to its expiration, on September 20, 1996. Whether petitioner, after expiration of the patent, and acquisition of its ownership, subsequently exercised the care and diligence that is generally used and observed by prudent and careful persons in relation to their most important business is immaterial. Kim v. Quigg, supra. Rather, petitioner remains bound by the delay resulting from the business decisions, actions, or inactions, of NDE, including the decisions, actions, or inactions, which resulted in the lack of scheduling and timely payment of the maintenance fees

DECISION

The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b).

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the maintenance fees and the surcharge(s) previously charged to petitioner totaling \$2285 have been credited to deposit account No. 23-0125.²

The patent file is being returned to the Files Repository.

Telephone inquiries regarding this decision should be directed to Brian Hearn at (703) 305-1820.



Manuel A. Antonakas, Director
Office of Patent Policy Dissemination
Office of the Deputy Assistant Commissioner
for Patent Policy and Projects

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²This includes the \$65 previously charged in error, as recounted in the request for refund of April 27, 1998.